

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1233 - SB 1118

March 22, 2011

SUMMARY OF BILL: Requires all funds contributed by a permittee under Section 404 of the federal Clean Water Act to the Tennessee Stream Mitigation Program for a stream mitigation or restoration project to be utilized within the county where the adverse effects occur.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$3,750,000/Highway Fund

Assumptions:

- According to the Department of Transportation (TDOT), approximately \$3,750,000 per year is paid from the Highway Fund for stream mitigation.
- According to the Department of Environment and Conservation (TDEC), and based on information from the Tennessee Stream Mitigation Program, currently a single project can stretch over multiple counties. The in-county requirement will result in a greater number of smaller projects. Design and mobilization costs make up a large share of the expenditures for any project.
- TDOT and TDEC estimate that the cost of stream mitigation will double as a result of these project restrictions and loss of economies of scale. The increase in recurring state expenditures from the Highway Fund will be \$3,750,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White".

James W. White, Executive Director

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